

**Mayor's Proposed Plan  
To Reduce \$323 Million Revenue Shortfall in FY 2003**

DRAFT

Recently, the District's Chief Financial Officer projected that the District will face a \$323 million revenue shortfall in Fiscal Year 2003, which begins on October 1, 2002. If the District's leaders do not act immediately to address this shortfall, the District will run a deficit and risk entering another control period.

To continue the strong fiscal management of the past seven years, the Mayor has developed a plan to immediately address this revenue shortfall. This plan is presented in detail in the attached packet. In summary, the Mayor proposes a balanced approach to solving this problem by reducing expenditures and raising some revenues. This approach will protect basic city services, maintain the drivers of economic growth, share the burden fairly, and make sacrifices temporary where possible.

The major components of this plan are:

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|--|-----------------|
| • Delaying new planned spending that has not yet begun   | \$98.9 million  |
| • Reducing agency budgets  | \$104.6 million |
| • Increasing tax revenues by postponing tax cuts and increasing some rates (temporarily where possible)                            | \$72.0 million  |
| • Increasing selected government fees and charges to account for inflation, comparison with other jurisdictions, and other factors | \$47.6 million  |

**TOTAL SOLUTIONS**

**\$323.1 million**

The Mayor has consulted with many segments of the District community and will continue doing so until final agreement is reached with the Council and the solutions are enacted on October 1, 2002.

Input and questions may be submitted to [mayor@dc.gov](mailto:mayor@dc.gov)